

February 21, 2013

AEP

# What is it?

The Amenity Effect Payment (AEP) is a voluntary payment programme initiated by Newmont Waihi Gold. It aims to recognise that some people close to our operations consider our activities affect their quality of life (*amenity*) even though the mine is complying with the conditions of the licence and consents.

Consent limits determined through the RMA process are set at levels recognised as being generally protective of the quality of life of the average person. Our operations will have some effect, but just because you can perceive (hear or feel) something does not mean it is an adverse effect. So, while you may sometimes hear noise or feel vibration as a result of our operations, this does not mean you will automatically be eligible for the programme. AEP is not a payment for *all* effects for *all* people.

Residents who live within specific areas determined by analysis of comprehensive monitoring data are eligible to join the programme and receive payment for each occasion noise or vibration over a certain level occurs at their property. The amount residents

receive is based on the results of our monitoring and modelling. Qualifying residents receive the payments approximately every six-months based on actual measurements during the previous half of the year.

In the payment period for the first half of 2012 around 500 properties qualified to receive payments, with the company paying out approximately \$340,000. The number of qualifying properties and the amount payable for the second half of 2012 is currently being calculated. The company spends considerable staff time and resources to administer the programme. As far as we are aware, there is no similar initiative of this scale anywhere else in New Zealand.

## How are payments calculated?

### Vibration

Newmont Waihi Gold uses its compliance monitoring results to calculate the magnitude of each vibration at each property. The results are used to calculate payments. During each six-month payment period, we identify the properties to receive payment as those that register an average of two or more blast events with a vibration level of 1.5mm/s or more in any month during the report period.



### Noise

Similarly, noise monitoring results collected during the reporting period identifies qualifying properties based on a combination of recorded mine noise, wind speed and direction.

Individual AEP payments are based on the greater of the total noise or total vibration effects for each property. Adjustments are made to address change of occupancy that may have occurred during a reporting period.



Where we are working, what we are doing, and prevailing weather conditions can all combine to determine what effect our operations have. This in turn can have an effect on the number of AEP payments and their amount for any given six-month period.

## How does it work?

It's all based on verifiable data. Inclusion in the programme and the level of payment is based on extensive monitoring information from current operations and that collected over many years. Details can be found in *Updates* of 5 and 19 October 2010 on our website.

### How do I know if I am eligible for AEP?

We will contact you if you are eligible, based on the latest data from the previous half year.

### If I am renting a house who gets the AEP?

You do. The payment is for effect on *amenity*. As you live in the house you would be entitled to the payment rather than your landlord.

### If I am eligible, when will I get paid?

We are currently analysing the data and working on preparing payment for qualifying properties for the last six months of 2012.

### Will I get the same amount of money this time as my last payment?

Payments vary depending on *effect*. Weather conditions and where we are working in the open pit may affect how much noise you experience. Where we are working underground may affect vibration levels. Because of this you should not expect payment levels to remain constant.

### Will AEP payments affect the tax I have to pay, or any government benefit I receive?

The current ruling from Inland Revenue Department is that AEP payments are not treated as taxable income. AEP payments will not affect your eligibility for government benefits.

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## In summary, the AEP:

- recognises that some people perceive that mine-related effects such as noise and vibration have the potential to affect their quality of life (*amenity*).
- acknowledges that there could be an effect on amenity at a lower level even though we remain within consent limits.
- has boundaries defined by NWG based on analysis of a comprehensive history of monitoring data.
- payments vary depending on the level of vibration or noise measured and calculated at each residence.
- is voluntary. There is no legal obligation for NWG to provide the AEP to residents.

For further information about the AEP please call our free phone 0800 NEWMONT (0800 639 6668).



The Newmont Waihi Gold community engagement line is attended 24 hours a day, seven days a week. Contact the Company Liaison Officer, Donna Fisher.

0800 NEWMONT (0800 639 6668) [www.waihigold.co.nz](http://www.waihigold.co.nz) [www.newmont.com](http://www.newmont.com)

